

File ~~HYCON~~ HYCON
SAPC 2403/A
COPY 3 OF 3
Filed.
Support
2 1955

HYCON MFG. COMPANY
2961 E. Colorado Street
Pasadena 8, California

AGREEMENT OF EMPLOYMENT

AGREEMENT made this _____ day of _____ 195 _____ by and between Hycon Mfg. Company, a Delaware corporation with its principal place of business in Pasadena, California, (hereinafter sometimes referred to as the Company), and _____ (hereinafter sometimes referred to as Employee), an individual residing at _____

RECITALS

Company does or may do work in foreign countries throughout the world. In contracting with employees for such work, it is essential that the Employee understand as fully as possible the conditions prevailing in the particular foreign country to which he may be assigned and that the conditions under which he is expected and agrees to there do work for the Company may be rigorous in any and all respects.

Company is required by its clients to maintain in strictest confidence the nature of the work it does and the results thereof. Any violation of that confidence by the Company or any of its employees may result in serious consequences to Company.

It is extremely important to the Company that an employee fulfill his duties for the full term of contracted service, because the replacement of an employee who does not do so works a financial and operational hardship upon the Company. The purpose of this Agreement is to set forth the respective rights and obligations of the parties to it.

There is attached hereto as Exhibit "A" an executed schedule which is by execution of the agreement incorporated herein and made a part hereof.

SECTION 1. CONTINENTAL UNITED STATES

For the purpose of this Agreement the terms "Continental limits of the United States" or "Continental United States" shall be deemed to, and shall include only the forty-eight states of the United States and the District of Columbia.

SECTION 2. EMPLOYMENT AND DUTIES

The Company hereby employs Employee to render such services and perform such duties as the Company may direct or designate; and Employee accepts such employment with knowledge of the terms and conditions herein set forth and agrees throughout the term of this Agreement of Employment to give his exclusive time and attention to the diligent and faithful performance of such services and duties, and to abide by and be subject to all rules, regulations and requirements of the Company, its officers, agents and supervisory employees, as well as all civil laws and regulations in effect from time to time at the place or places of duty where Employee may be assigned during the continuance of, and in connection with, Employee's employment hereunder.

SECTION 3. CANCELLATION OF PRIOR AGREEMENTS

If Employee is presently employed by the Company under any agreement of employment, written or oral, the parties hereto agree that such agreement of employment will be cancelled and terminated concurrently with the execution of this Agreement of Employment which shall be substituted in lieu of the agreement so cancelled and shall set forth the terms and conditions of Employee's employment by the Company, provided, however, that if Employee at the time of execution of this agreement shall enjoy seniority with the Company, the execution of this agreement shall not deprive Employee of such seniority or of any rights that may accrue to him by reason thereof, including without limitation the right to participate in any retirement plan of the Company, in accordance with the requirements of said plan as they may be amended from time to time.

SECTION 4. TERM OF EMPLOYMENT

The term of Employee's employment hereunder shall commence on the date when employee reports for duty hereunder at the time and place designated by the Company and as stated in Exhibit "A" of this agreement.

SECTION 5 AMOUNT, TIME, AND MODE OF PAYMENT OF SALARY

A. Beginning with the date the Employee's Term of Employment commences, as provided in Exhibit "A" entitled "TERM OF EMPLOYMENT", and until said Term of Employment shall expire under the terms of this Agreement or be terminated in accordance with Section 15 of this Agreement, Employee shall be paid for such portions of said Term of Employment as are expressly spelled out in Exhibit "A" of this Agreement.

SECTION 5. AMOUNT, TIME, AND MODE OF
PAYMENT OF SALARY, Cont'd.

B. Employee shall designate in writing the portion of his salary which he desires paid to him at his place of duty while employed outside the Continental United States. The balance, if any, of Employee's salary shall be deposited (less any lawful deductions) for the account and risk of Employee in a bank or trust company in the United States to be mutually agreed upon by Employer and Employee, or, in the absence of such designation, in a member bank of the Federal Reserve System selected by the Company. The receipt therefor of such bank or trust company shall constitute conclusive evidence of payment to Employee.

C. Salary payments shall be monthly; subject, however, to the payment of a portion thereof only on completion of all obligations under this Agreement, as specified in Section 7, A. Failure on the part of the Company to respond to the precise time and mode of payment of salary prescribed herein shall not be considered as a breach or default on the part of the Company in those cases in which such failure is the result of causes beyond the Company's control.

D. Employee will not seek reimbursement from the Company for any foreign exchange loss that he may incur as a result of converting into foreign or American money any sums paid or payable to him under the terms of this Agreement of Employment, and it is understood that the Company shall be under no obligation to exchange foreign exchange or currency of any country into American currency or exchange.

E. There shall be no restriction upon the number of Employee's work hours per day or the number of Employee's work days per week. The salary and compensation herein provided to be paid Employee is substantially in excess of that which Employee would receive for similar services rendered in the United States at the date hereof and includes compensation for any extra or overtime services to be performed, and Employee shall not be paid or compensated otherwise for services which ordinarily would be extra or overtime services.

SECTION 6. SUBSISTENCE ALLOWANCE

Subsistence will be furnished to the Employee when away from the factory, (except when on Leave Status) therefore payment of a subsistence allowance will be unnecessary.

SECTION 7. SALARY AND OVERSEAS DIFFERENTIAL
UPON COMPLETION OF CONTRACT

A. Of the monthly salary specified in Exhibit "A", the sum of one hundred dollars (\$100.00) per month shall be payable only upon satisfactory completion by the employee of all of his obligations under this Agreement, or upon termination of the employment without cause under Paragraph "B" of Section 15 hereof. In the event employee does not complete his obligations under this Agreement, including termination of his employment for cause under Paragraph "A" of Section 15 hereof, the employee's salary as set forth in Exhibit "A" shall be reduced by the sum of one hundred dollars (\$100.00) per month.

B. The Company will, upon satisfactory completion by the employee of all of his obligations under this agreement, pay to the employee a contract overseas differential in the sum of _____ in addition to the amount of contingent salary referred to in Paragraph "A" of this Section 7, above. If the employment of the employee is terminated without cause under Paragraph "B" of Section 15 hereof, a portion of the total overseas differential amount shall be paid equal to the proportionate completion of the total term of employment specified in this agreement.

SECTION 8. VACATION, SICK LEAVE AND OTHER BENEFITS

A. An employee shall be given three weeks' (21 days) of vacation with pay at approximately the mid point of the term of employment set forth in Exhibit "A" hereof. Such vacation must be spent in the United States if so specified by the Company. Immediately preceding or following such vacation the employee shall spend a week at the plant or plants of the Company in the Pasadena area in accordance with instructions from the Company. The vacation rights specified in this paragraph shall not impair the accrual of vacation rights under the standard personnel practices of the Company provided that any vacation rights accrued in excess of those specified herein shall be deferred until completion or termination of employment under this agreement. If this Agreement of Employment shall be terminated for any reason other than in accordance with the provisions of Paragraph "A" and Paragraph "C" of Section 15, hereof, the Company will pay to Employee pro-rata compensation for said vacation time accrued and unused by the Employee to the date of such termination. Vacation accrued and unused by the Employee to the date of such termination will be computed as 6.6 hours for each full month of service. In the event Employee should, at the request of the Company continue service for a period of time beyond the Term of Employment provided under Exhibit "A" hereof, Employee shall accrue a right to vacation pay at the same rate provided above, on a pro-rata basis, for the period of time of such additional service. Such paid vacation shall be at the base salary rate set forth in Exhibit "A" hereof.

B. Sick Leave: Employee shall be entitled to sick leave benefits in accordance with the plan for sick leave benefits as presently in effect for salaried employees of the Company at its Pasadena, California, base. During any period of paid sick leave an Employee shall be entitled to his regular pay and if during such period of paid sick leave employee is outside the Continental limits of the United States he shall also be provided subsistence as specified under Section 6 hereof.

SECTION 8. VACATION, SICK LEAVE AND
OTHER BENEFITS, Continued

C. Local Leave: Employees will be subject to duty 7 days per week, 24 hours per day, however employee may receive Local Leave from time to time at the location of employment outside the Continental limits of the United States. Such local leave will be granted subject to Operational requirements at the sole discretion of the Team Supervisor, or other person designated by Hycon, on the basis of 8-1/2 days leave per month of employment. Unused Local Leave shall accrue to a maximum of 30 days. Leave as granted shall be applied first against Local Leave allowance for the current month and thereafter to reduce the amount of accrued Local Leave. Employees will be paid for the local leave allowance remaining on completion of employment contract period at the base salary rate.

D. Retirement Plan: The provisions of the Hycon Profit Sharing Retirement Plan and Trust shall be made available to Employee on the same basis and subject to the same conditions and requirements as they are made available to salaried employees of the Company, at its Pasadena, California, base.

E. The provisions of the Hycon Group Insurance Plan as presently in effect for salaried employees of the Company at its Pasadena, California, base shall be made available to Employees on the same basis as they are made available to said employees of Hycon Mfg. Company.

F. The Company may, in its sole discretion, grant emergency leave to the Employee. In the event such leave is granted and the Employee returns to his station within the time limit specified, in the written consent by the Company, (which period shall in no event exceed forty-five days from the time the leave commences) the Employee's right to receive payment of the overseas differential and contingent salary specified in Section 7 hereof, shall not be impaired. Failure to return to work within the period specified shall constitute a failure to satisfactorily complete the obligations under this Agreement. Transportation in connection with emergency leave shall be solely at the expense of the Employee.

SECTION 9. TRANSPORTATION AND TRAVEL EXPENSE

A. In reporting for and rendering services during his employment hereunder, and in traveling to and from his place or places of duty hereunder, Employee consents to travel by land, sea and air, according to routes and by any mode of conveyance which the Company may specify. When so directed by the Company, Employee agrees to return to the United States without delay by such routes and means as the Company may designate.

B. Except as herein otherwise provided, and subject to the rules and regulations prescribed in respect thereof by the Company, the Company shall furnish or cause to be furnished to Employee transportation necessary to the employment which is the subject of this Agreement, including transportation for vacations required to be spent in the United States under Section 8, Paragraph "A", hereof.

SECTION 10. PASSPORTS AND PREPARATION FOR TRAVEL

A. This Agreement is predicated upon satisfactory proof furnished by Employee that he is a citizen of the United States of America and upon his ability to secure necessary passports, visas and such other permits as may be necessary, to authorize his departure and absence from the United States, and entrance into and stay in such foreign countries as may be necessary, to pass such physical examination, and to submit to such disease immunization, finger printing and to comply with other regulations as may be required by proper authority or by the Company.

B. If Employee is so qualified, the Company shall assist Employee in obtaining the necessary passports, travel permits and visas.

SECTION 11. SECURITY AND OTHER REGULATIONS

A. The employment which is the subject of this Agreement will involve access to information affecting the national defense of the United States within the meaning of the Espionage Laws, Title 18, United States Code, Sections 793 and 794. Transmission or revelation of such information in any manner to unauthorized persons may be a criminal offense and may lead to prosecution and conviction. It will also be a cause for immediate termination of employment within the meaning of Paragraph "A" of Section 15. The Employee agrees to abide by all security rules and regulations applicable to the employment.

B. Employee agrees to comply with all applicable customs, laws and regulations of the countries from, to or through which Employee or any of his property may be transported.

SECTION 12. MEDICAL SERVICES

A. Prior to each departure from the United States, Employee shall submit to such physical examination, vaccination and inoculation as the Company shall direct, at no expense to Employee. Employee shall further from time to time, while engaged in overseas service, and shall immediately prior to Employee's termination as provided herein under this Agreement of Employment, submit, without expense to Employee, to such further examination, vaccination, inoculation and other medical, dental, surgical, nursing and hospital treatment, preventative or curative, as the Company's medical staff (or medical examiners appointed by the Company) at Employee's place of duty or elsewhere, may from time to time specify as necessary or desirable.

SECTION 13. COMPENSATION FOR DEATH OR DISABILITY

- A. Employees shall be covered by Workman's Compensation insurance.
- B. If the Company pays salary as provided for under Section 8 (B) hereof during any period in which Employee or his beneficiaries are entitled to benefits under the first paragraph of this Section 13, any benefits so payable for such period, shall be a part of, and not in addition to, the salary thus paid.
- C. Employer will take out accidental death and dismemberment insurance providing benefits up to \$25,000 for accidents involving employees which occur as a result of travel, or any other activity incident to the discharge of the responsibility of the employee under this agreement, including flying as observers in any aircraft, but excluding accidents which are directly or indirectly caused or contributed to by war or invasion. Coverage will extend anywhere in the world, except in countries specifically excluded from the policy provisions by the insurance carrier.
- D. It is understood and agreed that if any Insurer providing insurance under the terms of this Section 13, fails to pay claims arising thereunder for any reason whatsoever, the Company will not be liable for the payment of such claims.
- E. In the event of the death of the Employee while outside the Continental limits of the United States during the term of this Employment Agreement, the Employee authorizes the Company to make appropriate disposition, as shall be deemed best by it under the prevailing circumstances, of the body and personal effects of the Employee.
- F. Employee is required to furnish the Company with a copy of his last will and testament or provide the Company with an execution accomplishing the same purpose.

SECTION 14. DEPENDENTS

Dependents of the Employee will not be permitted to join the Employee at his foreign duty station.

SECTION 15. TERMINATION

- A. The Company may by notice in writing or by telegram or cablegram terminate Employee's employment and his right to receive further salary and other benefits hereunder for any of the following causes:
1. If Employee, in the opinion of the Company, is not trustworthy, careful, or is otherwise disqualified to render the services required hereunder, or does not abide by all rules, regulations and requirements of the Company, its

SECTION 15. TERMINATION, Continued

A. 1. Cont'd.

officers, agents and supervisory employees, or does not abide by the rules, regulations and requirements of the customer of the Company to which services are being rendered.

2. If Employee, in the opinion of the medical examiner or examiners designated or approved by the Company, is found to be afflicted with any venereal disease.
3. If Employee violates any of the provisions of this Agreement or fails to perform faithfully and diligently the services and duties required of him hereunder.
4. If Employee in any respect fails to meet the standards or requirements of the Company for overseas service.
5. If the performance or the personal conduct of the Employee is unsatisfactory to the Company.

Upon termination by the Company under this Paragraph (A), the Company will make available to Employee return transportation to Pasadena, and/or the place of Employee's recruitment or last permanent residence in the Continental United States, but will not be required to pay Employee any salary or other benefits for any period from and after such termination.

B. The Company may further by notice in writing or by telegram or cablegram terminate Employee's employment under this Agreement, without cause under the following circumstances:

1. Upon or after completion of Employee's performance under this Agreement as determined by the Company.
2. If, in the opinion of the Company, the performance provided for in this Agreement not having been completed or terminated, the services of Employee are no longer required hereunder.
3. If the Employee shall be inducted into or recalled to active duty (as distinguished from voluntarily entering) in the Armed Forces of the United States.

SECTION 15. TERMINATION Continued

Upon termination by the Company under this Paragraph "B", the Company shall make available to Employee return transportation and his salary until he shall be returned to the place of his recruitment or last permanent residence in the Continental United States.

C. In the event that Employee terminates his employment hereunder voluntarily, he shall not from and after such termination be entitled to any salary or other benefits, including without limitation overseas differential payments or per diem allowances hereunder.

SECTION 16. CONFIDENTIAL INFORMATION

Employee shall treat as confidential any information or knowledge received or acquired by him relating to his employment or to his services hereunder, or to the products or processes of manufacture of the Company not disclosed by the Company to the general public, and shall not, without the prior written consent of the Company, publish or cause to be published, or disclose to any person, firm or corporation, in any manner or by any means, either by statements, photographs, pictures, books, articles, reports, charts, graphs, maps, or in any other manner or by any other means, written, pictorial, oral or otherwise, any information directly or indirectly relating to such employment, services, products and/or processes of manufacture. The provisions of this Section may be enforced by injunctive relief or by any other legal means.

SECTION 17. SEPARABILITY OF CONTRACT TERMS

In the event that any one or more of the provisions of this Agreement shall, for any reason whatsoever, be held by competent authority to be invalid or unenforceable, such particular provision or provisions shall be deemed to be separable from the remainder of this Agreement; and all of the remaining provisions, terms and conditions of this Agreement shall continue in full force and effect and be binding upon the parties hereto, in the same manner as if the severed provision or provisions had never been included herein.

SECTION 18. MISCELLANEOUS

This Agreement of Employment constitutes the entire Agreement between the parties hereto relating to the subject matter hereof and the provisions thereof shall be construed and interpreted solely in accordance with the laws of the State of California. It is specifically agreed that the Company may assign its rights and delegate its duties under this Agreement of Employment or subsequent Agreements requiring the services of the Employee to any Hycon Mfg. Company organization, affiliate or subsidiary. It is further agreed that no assignment of rights under this Agreement of Employment or subsequent agreements requiring the services of the Employee shall be made by Employee without the written consent of the Company. Unless this Agreement of Employment is executed on behalf of the Company by an officer or authorized representative thereof, it shall not become binding.

SECTION 19. FINAL SETTLEMENT

On the termination of this Agreement and payment to the Employee of all amounts due to him hereunder, the Employee shall execute and deliver to the Company upon a form prepared by it a receipt for said sums and a release of all claims, except claim for compensation insurance or such claims as may have been submitted pursuant to the provisions of Section 13 hereof and which may remain undisposed. It is understood that in preparing the final record of employment on termination, the Employee shall submit to such physical examinations, both at the job site and after his return to the United States, as the Company may deem necessary for the preparation of such record herein required.

SECTION 20. CERTIFICATION BY EMPLOYEE

The Employee certifies to the Company that he has read the foregoing Agreement and that he fully understands its terms and conditions, and further certifies that the foregoing terms and conditions constitute his entire agreement with the Employer, and that no promises or understandings have been made other than those stated above; and it is specifically agreed by the parties hereto that this Agreement shall be subject to modification only by written instrument signed by both the Company and the Employee.

No promises or representations of any kind have been made to the Employee regarding exemption from payment of the United States or any other income tax. United States income tax will be withheld as well as any other applicable tax. (United States and California)

SECTION 20. CERTIFICATION BY EMPLOYEE
Continued

Employee certifies that he is a citizen of United States of America; that he does not advocate and is not a member of any political party or organization which advocates the overthrow of our constitutional form of government in the United States.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed in triplicate in the City of _____, State of _____ by its officer or other person thereunto duly authorized and its corporate seal to be affixed hereto, and Employee has executed the same, in triplicate, the day and year first above written.

HYCON MFG. COMPANY

By _____

Employee

Witness to Signature of Employee:

EXHIBIT "A"

Attached to and Part of

AGREEMENT OF EMPLOYMENT

Dated _____

Item
No.

1. Area of Employment _____

2. Starting Point _____

3. Capacity (Type of Work) _____

4. Term of Continuous Service _____ month commencing
date of departure for foreign assignment _____ 195 _____

5. Base Salary (US Dollars per month) _____

6. Regular Vacation _____

7. Special Agreements _____

Employee

Approved at _____ on _____
(Place) (Date)

by _____
(Signature) (Title)

(Company)